

# SN 2000(9)

## Sales and Use Tax Exemption for College Textbooks

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**PURPOSE:** This Special Notice describes new legislation that exempts from sales and use taxes the sales of college textbooks to students enrolled at institutions of higher education.

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**EFFECTIVE DATE:** Effective for sales occurring on or after July 1, 2000.

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**STATUTORY AUTHORITY:** 2000 Conn. Pub. Acts 170, §6.

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**COLLEGE TEXTBOOKS:** On and after July 1, 2000, sales of college textbooks to full-time and part-time students enrolled at institutions of higher education are exempt from sales and use taxes, if the student presents a valid student identification card to the retailer.

**Exempt college textbooks.** *College textbooks* means new or used books of any kind and related workbooks required or recommended (optional) by the institution or instructor for a course at an institution of higher education, whether produced commercially or by the institution or instructor. The exemption applies to textbooks on paper, computer disks or CD-ROMs, audiocassettes, or the Internet.

**Nonexempt items.** The exemption does not apply to books that are not recommended or required for a course at an institution of higher education. The exemption does not apply to items other than textbooks, such as condensed books and similar study aids (unless recommended), blank notebooks, sketch pads, calculators, and laboratory kits.

Only a full-time or part-time **student** enrolled at an institution of higher education may purchase college textbooks exempt. Textbooks sold to faculty or other members of an institution do **not** qualify for the exemption. (However, purchases by institutions themselves that qualify for exemption under Conn. Gen. Stat. §12-412(1) or (8) are exempt from tax.)

**INSTITUTIONS OF HIGHER EDUCATION:** For this exemption, an *institution of higher education* is a post-high school institution of higher learning offering college or university-level credits, and offering a program leading to a degree, all as defined in Conn. Gen. Stat. §10a-34(a). The institution must be licensed or accredited by the Connecticut Board of Governors of Higher Education or have received any other regional or national accreditation accepted by that Board, and need not be located within Connecticut. (However, a student need not be enrolled in a course leading to a degree to qualify for the exemption, only enrolled at an institution of higher education, as defined above.)

Institutions of higher education do not include most occupational schools, or courses of instruction conducted by firms or organizations for training their own employees or members.

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**STUDENT IDENTIFICATION CARDS:** A student enrolled at an institution of higher education must present a valid, current student identification card issued by the institution to the retailer at the time the textbook is purchased for the exemption to apply.

**Substitute student identification.** If an institution does not issue student identification cards, the student must provide other evidence of enrollment to the retailer to prove that the student qualifies for the exemption. Proof of enrollment includes the following:

- The student's receipt showing payment to the institution for tuition or for the course for which the textbook is required or recommended, the name of the institution, and the student's name;
- A dated registrar's statement that the person is enrolled as a full-time or part-time student at the institution; or
- A current list or schedule issued by the institution to the student, showing the student's name, the institution's name, the courses being taken, and the period of enrollment.

## **COLLEGE BOOKSTORES AND OTHER RETAILERS OF COLLEGE TEXTBOOKS:**

College textbooks may be purchased tax exempt from **any** retailer, including college bookstores, retail bookstores, mail order, telephone, or the Internet.

**Lists of textbooks.** If the institution or course instructor gives a retailer a list of required or recommended textbooks, the retailer may sell any book on the list tax exempt to any student at the institution, if the student presents a valid student identification card (or acceptable substitute) at the time of purchase. If the retailer has not received a list of required or recommended textbooks from the institution or instructor, a student may furnish to the retailer a list of the titles of required or recommended textbooks obtained from the institution or a course instructor. The retailer may then sell textbooks on the list tax exempt to any student enrolled at the institution, if the student presents a valid student identification card (or acceptable substitute) when making the purchase.

When the textbook list is not available at the time of purchase, a retailer may sell college textbooks tax exempt if the student:

- Furnishes proof of enrollment in a course at an institution of higher education;
- Presents a valid student identification card (or acceptable substitute); and
- Issues a written statement that the student is purchasing a required or recommended textbook for a course in which the student is enrolled.

College bookstores or other retailers must keep records to substantiate the college textbook exemption for six years. For example, the retailer must keep a copy of the list of required or recommended books furnished by the course instructor or institution or by the student. When the textbook lists are not available from the institutions, a retailer must keep the student's proof of enrollment and the written statement as listed above.

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## **MAIL ORDER, TELEPHONE, AND INTERNET RETAILERS:**

A student may purchase a college textbook tax exempt by mail order, telephone, or via the Internet. Since the student will not be able to present the retailer with a valid student identification card at the time of purchase, the student must furnish the following information to the retailer:

- The student's name and address;
- The name and address of the institution;

- The name of the course in which the student is enrolled; and
- The identification number appearing on the identification card, or a student identification number issued by the institution without a card (unless it is the student's Social Security Number).

If the student identification number is the student's Social Security Number, the student should inform the retailer that the numbers are the same and should **not** provide it to the mail order, telephone, or Internet retailer.

The mail order, telephone, or Internet retailer must keep the above information from the student in its records for six years to support the exemption. If the retailer has not obtained a valid student identification number because it is the student's Social Security Number, this should also be noted in the retailer's records with the other required information.

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**EFFECT ON OTHER DOCUMENTS:** None affected.

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**EFFECT OF THIS DOCUMENT:** A Special Notice is a document announcing a new policy or practice in response to changes in State or federal laws or regulations or to judicial decisions. A Special Notice indicates DRS's informal interpretation of Connecticut tax law and may be referred to for general guidance by taxpayers or tax practitioners.

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**FOR FURTHER INFORMATION:** Please call the Department of Revenue Services during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

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**FORMS AND PUBLICATIONS:** Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: **[www.drs.state.ct.us](http://www.drs.state.ct.us)**
  - **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu
  - **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone
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